

REMARKS

The Official Action dated November 16, 2006, the Examiner rejected pending claims 1,3-5,8-13 and 17, 18, 29 and 31-69 as obvious over Manduley 5,308,932 in combination with Edmunds 7,060,926 alone or in combination with Gunn 4,024,380. Applicants request that the Examiner reconsider the rejection in light of the following discussion.

The primary reference cited by the Examiner does not teach or suggest a labeler for applying a printed label to the pieces of mail. The Examiner contends that it would be obvious to combine a labeler with the system of Manduley because labelers are known in the art. However, that is not motivation. Under that reasoning no combination of known elements is patentable.

Further, Manduley teaches away from the proposed combination. Manduley is directed to canceling postage. It is the entire purpose and function of the system. It would be contrary to USPS procedures to print and apply a label over postage to cancel the postage. The label could simply be removed and the postage could be re-used. Manduley even teaches that the ink used in the system should be indelible to avoid washing the ink and the re-using the stamp.

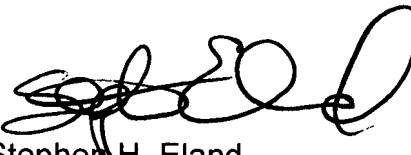
Since combining a labeler would be contrary to the teaching of Manduley, the pending claims are patentable over the cited references. Accordingly, Applicants request that the Examiner reconsider the rejection of the pending claims.

In light of the foregoing, Applicant believes that this application is in form for allowance. The Examiner is encouraged to contact Applicant's undersigned attorney if the Examiner believes that issues remain regarding the allowability of this application.

Respectfully submitted,

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